



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8
999 18TH STREET - SUITE 300
DENVER, CO 80202-2466
Phone 800-227-8917
<http://www.epa.gov/region08>

September 29, 2003

Ref: 8ENF-T

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

C T Corporation System
Registered Agent
EOG Resources, Inc.
50 W. Broadway #800
Salt Lake City, UT 84101-2006

RE: UNDERGROUND INJECTION CONTROL
Proposed Administrative Order With
Administrative Civil Penalty and
Opportunity to Request a Hearing

Dear Sir:

The enclosed document is a Proposed Administrative Order With Administrative Penalty and Opportunity to Request a Hearing ("PAO") for violations of the Underground Injection Control ("UIC") Program of the Safe Drinking Water Act. Please read the PAO soon and carefully, since it describes your rights and responsibilities in this matter as well as EPA's authority, the factual basis of the violations, and the background for the proposed penalty. Also enclosed is a copy of the Rules of Practice that govern these proceedings, and information sheet about the Small Business Regulatory Fairness Act and the Securities Exchange Commission.

Any person who violates any requirement of the UIC program is subject to enforcement action under Safe Drinking Water Act section 1423 (42 U.S.C. Section 300h-2). Enforcement may include administrative penalties of \$5,500 per day for each violation up to a maximum penalty of \$137,500, and civil penalties of up to \$27,500 per day for each violation, and will mandate compliance with all provisions of the Safe Drinking Water Act. In addition, if the violation is willful, the Safe Drinking Water Act authorizes criminal prosecution in accordance with Title 18 of the United States Code.



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You are required to take action in less than 30 days, to avoid the possibility of having a default judgment entered against you that would impose the penalty amount included in the PAO.

Whether or not you request a hearing, we encourage you to confer informally with EPA concerning the alleged violations to try to negotiate a settlement. You may wish to appear at an informal conference yourself and/or be represented by your counsel. To arrange for such a conference, please contact Donna M. Arthur, Senior Enforcement Attorney, Legal Enforcement Program, at the number provided below. Request for such a conference does not extend the thirty (30) day period during which a request for hearing must be submitted.

Public Notice of EPA's PAO and the opportunity to provide written comments on the PAO is also being provided pursuant to Section 1423(c)(3)(B) of the SDWA (42 U.S.C. Section 300h-2(c)(3)(B)). Any person who comments on the PAO has a right to participate in the hearing, if there is one.

If you have any technical questions relating to this matter, please call Carol Lee Bowden, UIC Enforcement Team, Technical Enforcement Program, at (303) 312-6485. All legal questions should be directed to Donna M. Arthur at (303) 312-6954. Ms. Bowden and Ms. Arthur can also be reached at the following address:

Carol Lee Bowden (8ENF-T)
U.S. EPA, Region 8
999 18th Street, Suite 300
Denver, CO 80202-2466

OR

Donna Arthur (8ENF-L)
Senior Enforcement Attorney
U.S. EPA, Region 8
999 18th Street, Suite 300
Denver, CO 80202-2466

We urge your prompt attention to this matter.

Sincerely,

SIGNED

Carol Rushin
Assistant Regional Administrator
Office of Enforcement, Compliance
and Environmental Justice

Enclosures:

Proposed Administrative Order With Administrative
Civil Penalty and Opportunity to Request a Hearing
40 C.F.R. part 22
Public Notice
U.S. EPA Small Business Resources Fact Sheet
U.S. EPA Securities Exchange Commission Information Sheet

cc: Elaine Willie, Environmental Coordinator
Ute Indian Tribe

**UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 8**

<hr/>)	
)	
EOG Resources, Inc.)	PROPOSED
Uintah County, Utah,)	ADMINISTRATIVE ORDER
)	WITH
Respondent.)	ADMINISTRATIVE
)	CIVIL PENALTY
Proceedings Under Section 1423(c))	AND NOTICE OF
of the Safe Drinking Water Act,)	OPPORTUNITY TO REQUEST
42 U.S.C. § 300h-2(c))	A HEARING
<hr/>)	DOCKET NO.: SDWA-08-2003-0071

STATUTORY AUTHORITY

1. This civil administrative enforcement action (“Proposed Administrative Order” or “PAO”) is authorized by Congress in section 1423(c) of the Safe Drinking Water Act (“SDWA”), 42 U.S.C. § 300h-2(c). Regulations of the United States Environmental Protection Agency (“EPA”) that are authorized by the SDWA are set out in title 40 of the Code of Federal Regulations parts 100 through 149, and violations of the regulations constitute violations of the SDWA. SDWA §§ 1421(a) and 1422(c), 42 U.S.C. §§ 300h(a) and 300h-1(c).

2. The rules for this proceeding are the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, Issuance of Compliance or Corrective Action Orders and the Revocation, Termination, or Suspension of Permits, 40 C.F.R. part 22, (“Rules of Practice”) as adjusted by subpart I of the Rules of Practice, which provides a simpler administrative hearing process.

3. The undersigned EPA official has been properly delegated the authority to issue this Proposed Administrative Order.

4. EPA alleges that EOG Resources, Inc., (“EOG Resources” or “the Respondent”) has violated the SDWA, 42 U.S.C. § 300f, *et seq.*, and 40 C.F.R. parts 144 and 146; proposes the assessment of an administrative civil penalty; and orders EOG Resources to achieve compliance with the SDWA, as more fully explained below.

NOTICE OF OPPORTUNITY FOR A HEARING

5. Under SDWA § 1423(c)(3)(A), 42 U.S.C. § 300h-2(c)(3)(A), EOG Resources has the right to a public hearing before a Regional Judicial Officer to disagree with (1) any fact stated (alleged) by EPA in this PAO, or (2) the appropriateness of the proposed penalty and compliance order.

6. To disagree with this PAO and to assert its right to a hearing, EOG Resources must file a written answer and one copy with the Regional Hearing Clerk (8RC), U.S. EPA Region 8, 999 18th Street, Suite 300, Denver, CO 80202-2466, within 30 days of receiving this PAO. The answer must clearly admit, deny, or explain the factual findings of the PAO, the grounds for any defense, the facts disputed, and must state a specific request for a public hearing. Section 22.15 of the Rules of Practice contains a complete description of what must be included in the answer. **FAILURE TO FILE AN ANSWER AND REQUEST FOR A HEARING WITHIN 30 DAYS MAY WAIVE EOG RESOURCES’ RIGHT TO DISAGREE WITH THE ALLEGATIONS OR PROPOSED PENALTY, AND RESULT IN, AMONG OTHER**

**ACTIONS, A DEFAULT JUDGMENT AND ASSESSMENT OF THE PENALTY
PROPOSED IN THE ORDER.**

7. EPA is required by SDWA § 1423(c)(3), 42 U.S.C. §300h-2(c)(3), to notify the public about this action, and members of the public have a right under SDWA § 1423(c)(3)(B), 42 U.S.C. § 300h-2(c)(3)(B), to comment on this PAO. Those members of the public who comment will also have the right to present evidence and be heard at any hearing on this PAO.

8. EPA will review any comments submitted on this PAO and will thereafter determine whether to modify the PAO, withdraw it, or to allow it to become final, and whether to assess a penalty.

SETTLEMENT NEGOTIATIONS

9. EPA encourages discussing whether cases can be settled through informal settlement conferences. If EOG Resources wishes to pursue the possibility of settling this matter, or has any other questions, it should contact Donna M. Arthur, Senior Enforcement Attorney, at 1-800-227-8917, extension 6954, or the address below. **CONTACTING THE ATTORNEY OR REQUESTING A SETTLEMENT CONFERENCE DOES NOT DELAY THE RUNNING OF THE 30-DAY PERIOD FOR FILING AN ANSWER AND REQUESTING A HEARING.**

FINDINGS OF FACT

10. EOG Resources is a corporation, incorporated in the State of Delaware, and authorized to do business in the State of Utah at all times pertinent to this proceeding.

11. EOG Resources is a “person” within the meaning of SDWA § 1401(12), 42 U.S.C. § 300f(12), and is therefore subject to the requirements of the SDWA and its regulations.

12. EOG Resources owns and/or operates one Class II salt water disposal injection well, as defined in 40 C.F.R. §§ 144.3, 144.6(b), 146.3, and 146.5(b) on the Uintah and Ouray Indian Reservation in Uintah County, Utah. The name and location of the salt water disposal injection well subject to this PAO (“the EOG well”) is as follows:

Natural Buttes Unit (NBU) 21-20B SWD
EPA UIC Identification Number: UT2623-03708
Location: Uintah County/Natural Buttes Field/Uintah
and Ouray Reservation/Utah
NE/4 NE/4 (1037 feet from the north line and 1033 feet from the
east line) Sec. 20, T9S, R20E

13. The Uintah and Ouray Reservation in Uintah County, Utah, is “Indian lands” as defined at 40 C.F.R. §§ 144.3.

14. Pursuant to SDWA § 1422, 42 U.S.C. § 300h-1, and 40 C.F.R. § 147.2253, EPA administers the Underground Injection Control (“UIC”) Program for all Indian lands in the State of Utah. The program requirements can be found at 40 C.F.R. parts 124, 144, 146, 147, and 148. The effective date of this program is November 25, 1988.

15. All injection activities on the Uintah and Ouray Reservation are prohibited until the owner or operator is authorized by rule or by permit. 40 C.F.R. § 144.31. EOG Resources is authorized to operate the EOG well under EPA UIC Permit number UT2623-03708 (“the EOG Permit”), issued on August 20, 1992. A minor permit modification was issued on

October 27, 1992, to decrease the maximum allowable injection pressure from 600 pounds per square inch (“psig”) to 500 psig. EOG Resources is subject to all terms and conditions of this permit and all UIC regulations. The EOG Permit is attached to this Proposed Administrative Order as Exhibit 1.

16. EOG Resources is not allowed to inject fluids underground or to operate the EOG well except in accordance with the conditions of the EOG Permit. The regulations at 40 C.F.R. § 144.51(a) and the EOG Permit at sections III.A., III.E.1., and III.E.2. provide that EOG Resources must comply with all conditions of the EOG Permit, that any noncompliance constitutes a violation of the SDWA and is grounds for enforcement action, permit termination, revocation and reissuance, or modification, and that any person who violates a permit requirement is subject to civil penalties, fines, and other enforcement action under the SDWA.

17. EOG Permit condition III.E.9. requires that all reports or other information requested by EPA shall be signed and certified by a responsible corporate officer. A responsible corporate officer is (a) a president, secretary, treasurer, or vice president of the corporation in charge of a principal business function, or any other person who performs similar policy- or decision-making functions for the corporation, or (b) the manager of one or more manufacturing, production, or operating facilities employing more than 250 persons or having gross annual sales or expenditures exceeding \$25 million (in second-quarter 1980 dollars), if authority to sign documents has been assigned or delegated to the manager in accordance with corporate procedures. The responsible corporate officer must make the following certification:

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

18. Jim R. Schaefer, Area Production Manager, and C. C. Parsons, Division Operations Manager, who signed and certified the EOG Resources Annual Monitoring Reports for the years 1994 through 2002, are both responsible corporate officers of EOG Resources.

19. The UIC regulations at 40 C.F.R. §§ 146.23(b) and (c) require operators of Class II salt water disposal wells to, at a minimum, weekly observe injection pressure, flow rate, and cumulative injection volume at each well and monthly record a value of each; and to, at a minimum, annually report to EPA the recorded values of injection pressure, flow rate, and cumulative injection volume.

20. The EOG Permit requires EOG Resources to observe and record values of injection pressure, annulus pressure, flow rate, and cumulative injection volume at regular intervals no greater than monthly.

21. The EOG Permit requires EOG Resources to annually report the recorded monitoring information by February 15 of the year following each reporting year.

COUNT 1: INJECTION ABOVE THE AUTHORIZED INJECTION PRESSURE

22. EOG Permit condition II.C.4.(a) limits the well injection pressure measured at the surface to no more than 500 psig. Any increase or decrease to the injection pressure is to be specified by EPA in writing to EOG Resources only after additional step-rate testing that has been reviewed and approved by EPA.

23. On February 6, 2003, EPA issued a Notice of Noncompliance to EOG Resources, observing that EOG Resources had been exceeding its maximum allowed injection pressure (“MAIP”) for “the last several years.” EOG Resources stated in a letter to EPA dated February 18, 2003, that:

Due to the scaling tendency of the produced water being injected at this well, surface injection pressures increase over time due to scale build up in the wellbore at the perforations. As a result, ***surface injection pressures in excess of the 500 psig MAIP have occurred*** prior to remedial acid treatments for this scale buildup. Following treatment, the injection pressures can be maintained below the 500 psig for several months before another treatment is required. Since the pressure increase is due to the restriction at the wellbore and the formation is not being exposed to higher pressures, ***the automatic injection shut down has been set at a level above the 500 psig MAIP. . . .***

[emphasis added].

24. Injection into the EOG well at pressures over 500 psig is a violation of EOG Permit conditions II.C.4.(a) and III.E.1.

25. During the times listed in Attachment A, Part 1, EOG Resources injected into the EOG well at pressures over 500 psig and therefore violated the Safe Drinking Water Act.

COUNT 2: FAILURE TO FILE A COMPLETE ANNUAL MONITORING REPORT

26. The UIC regulations at 40 C.F.R. § 146.233(b) require operators of all Class II wells to monitor the nature of the injected fluids at time intervals sufficiently frequent to yield data representative of their characteristics.

27. The UIC regulations at 40 C.F.R. § 146.23(c) require operators of all Class II wells to , at a minimum, annually report to EPA the results of fluid analysis monitoring.

28. EOG Permit conditions II.D.1.(a) and (b) require EOG Resources to annually analyze the disposed fluids for Total Dissolved Solids, pH, Specific Conductivity, and Specific Gravity; analyze the disposed fluids whenever there is a change in the source of disposed fluids and submit a comprehensive water analysis to EPA within thirty (30) days of any change in injection fluids; weekly observe flow rate, injection pressure and annulus pressure, and cumulative volume, and record each observation monthly. The records of any monitoring activity required under the EOG Permit must include the date, exact place, the time of sampling or field measurements; the name of the individual(s) who performed the sampling or measurements; the exact sampling method(s) used to take samples; the date(s) laboratory analyses were performed; the name of the individual(s) who performed the analyses; the analytical techniques or methods used by laboratory personnel; and the results of such analyses.

29. EOG Resources' Annual Monitoring Report for 1998 that was due on February 15, 1999, and filed on January 11, 1999, did not include monthly maximum injection pressure levels. No amended report to include monthly maximum injection pressure levels has been filed as of August 31, 2003.

30. EOG Resources' original Annual Monitoring Report for 1999 did not include either the monthly maximum injection pressure levels or the required fluid analysis. An amended report was filed on July 6, 2000. The amended report included monthly maximum injection pressure levels but not the required fluid analysis. No amended report to include the fluid analysis has been filed as of August 31, 2003.

31. Failure to report monthly maximum injection pressure levels and required annual fluid analyses is a violation of 40 C.F.R. § 144.28(h) and EOG Permit condition ILD.4, and therefore of the Safe Drinking Water Act.

32. EOG Resources failed to include the required annual fluid analysis in its original and its amended 1999 Annual Monitoring Reports, and failed to report monthly maximum injection pressure levels in its original 1999 Annual Monitoring Report, and therefore violated the Safe Drinking Water Act.

COUNT 3: FALSE REPORTING

33. The average injection pressure level for a month cannot be higher than the maximum injection pressure level for that same time period.

34. For the times listed in Attachment A, Part 2, EOG Resources reported average injection pressure levels that were higher than the recorded maximum injection pressure for the same time periods, a situation which is impossible, indicating failure to properly record required data.

35. For the times listed in Attachment A, Part 2, EOG responsible corporate officers signed certifications that the information in the Annual Monitoring Reports was, to the best of their knowledge and belief, true, accurate, and complete, based on their inquiry of the

person or persons who manage the system, or those persons directly responsible for gathering the information. However, the information in the Annual Monitoring Reports was plainly not true, accurate, or complete.

36. The monthly maximum injection pressure levels included in the EOG Resources Annual Monitoring Reports for 1999, 2000, 2001, 2002 are identical, with minor exceptions, as listed in Attachment A, Part 3.

37. EOG Resources' Annual Monitoring Report for 1998 included the same fluid analysis report that was submitted with the Annual Monitoring Report for 1997.

38. Failure to properly record required data is a violation of EOG Permit condition II.D.4. and therefore of the Safe Drinking Water Act.

39. EOG Resources failed to properly record required data concerning monthly maximum injection pressure levels and average injection pressure levels on the 1999, 2000, 20001, and 2002 Annual Monitoring Reports.

40. EOG Resources failed to properly record required data concerning fluid analyses in the 1997 and 1998 Annual Monitoring Reports;

COMPLIANCE ORDER OR OTHER RELIEF

41. EOG Resources shall, no later than 30 days after receipt of this PAO, return the EOG well into compliance. To return the EOG well to compliance, EOG Resources shall within 30 calendar days of receipt of this PAO:

- a. submit corrected and complete Annual Monitoring Reports for the EOG well for the years 1998 through 2002;
- b. submit all well observation records for the EOG well from January 1, 1999, to the present;

- c. submit all EOG well acidizing records, including, at a minimum, invoices, letters, notes, and memoranda, for 1999 to the present; and
- d. develop compliance procedures to ensure that the EOG well remains in compliance with all applicable regulatory and permit requirements, and submit said compliance procedures to EPA in accordance with paragraph 42. The procedures must include, at a minimum, communication among different levels of EOG's employees and contractors, communication with EPA and the Ute Tribe, posting of signs at the wellhead as a reminder of operating requirements, and a methodology for ensuring timely and complete reporting, routine and otherwise.

42. All records, reports, and other submissions required in this Compliance Order shall be submitted to:

Carol Lee Bowden (8ENF-T)
U.S. Environmental Protection Agency, Region 8
999 18th Street, Suite 300
Denver, CO 80202-2466

PROPOSED CIVIL PENALTY

43. SDWA § 1423(c)(2), 42 U.S.C. § 300h-2(c)(2), authorizes an administrative civil penalty of no more than \$5,500.00 per day for each of the violations described in Counts 1 and 2 above, up to a maximum penalty of \$137,500.00. SDWA § 1423(c)(4)(B), 42 U.S.C. § 300h-2(c)(4)(B). SDWA § 1445(c), 42 U.S.C. § 300j-4 (c), authorizes an administrative civil penalty of no more than \$27,500 for the violations described in Count 3 above.

44. In calculating the administrative civil penalty, EPA took into account the

following factors:

- a. EOG Resources' alleged violations are serious and a threat to human health and the environment;
- b. EOG Resources gained an economic advantage over its competition by virtue of its injection over MAIP and its reporting violations;
- c. EPA is unaware of any EOG Resources history of violations such as these alleged in the PAO;
- d. EPA is unaware of good faith efforts by EOG Resources to comply with applicable UIC regulations;
- e. EPA has no basis to believe that the proposed penalty is one which would have a severe economic impact on EOG Resources; and
- f. such other matters as justice may require.

45. In light of the statutory factors and the specific facts of this case, EPA **ORDERS** that EOG Resources shall pay an administrative civil penalty in the amount of one hundred thirty-four thousand five hundred eighty-eight dollars (\$134,588.00) for the violations alleged above. Payment must be made by money order or certified check made payable to "Treasurer, United States of America" and mailed within 30 days of EOG Resources' receipt of this PAO to:

U.S. EPA, Region 8
Regional Hearing Clerk
P.O. Box 360859
Pittsburgh, PA 15251

and a copy of the money order or certified check shall be mailed simultaneously to:

Donna M. Arthur (8ENF-L)
Senior Enforcement Attorney
U.S. Environmental Protection Agency, Region 8
999 18th Street, Suite 300
Denver, CO 80202-2466.

GENERAL PROVISIONS

46. This PAO does not constitute a waiver, suspension, or modification of the requirements of EPA UIC Permit Number UT2623-03708 or any other applicable provision of the Safe Drinking Water Act or the regulations implementing it, which remain in full force and effect. Issuance of this PAO is not an election by EPA to forego any civil or criminal action otherwise authorized under the Act.

47. The provisions of this PAO shall apply to and be binding upon EOG Resources and its officers, directors, agents, successors, or assigns.

48. Violations of the terms of this PAO after its effective date (or, if applicable, the date of final judgment as described in SDWA § 1423(c)(6), 42 U.S.C. § 300h-2(c)(6)) may subject EOG Resources to further enforcement action. As described in SDWA § 1423(b), 42 U.S.C. § 300h-2(b), further enforcement action may include civil judicial action for injunctive relief, with possible civil penalties of up to \$27,500.00 for each day of violation; criminal penalties; or both.

ISSUED this 26TH day of September, 2003.

UNITED STATES ENVIRONMENTAL
PROTECTION AGENCY, REGION 8,
Complainant.

By: **SIGNED** _____

Carol Rushin
Assistant Regional Administrator
Office of Enforcement, Compliance, and
Environmental Justice
U.S. EPA, Region 8
999 18th Street, Suite 300
Denver, CO 80202-2466

**IN THE MATTER OF:
DOCKET NO.:**

**EOG Resources, Inc.
SDWA-08-2003-0071**

CERTIFICATE OF SERVICE

I hereby certify that the foregoing PROPOSED ADMINISTRATIVE ORDER WITH ADMINISTRATIVE PENALTY AND NOTICE OF OPPORTUNITY TO REQUEST A HEARING dated September 26, 2003, and filed September 29, 2003, was served this date as follows:

The original and one true copy, via hand delivery, to:

Regional Hearing Clerk (8RC)
U.S. EPA, Region 8
999 18th Street, Suite 300
Denver, CO 80202

A true copy, via certified mail with return receipt requested, to:

EOG Resources, Inc.
c/o C T Corporation System
Registered Agent
50 W. Broadway #800
Salt Lake City, UT 84101-2006

9/29/03
Date

Judith M. McTerna

EOG RESOURCES, INC.
Docket No. SDWA-08-2003-0071

Attachment A
Part 1

**INJECTION PRESSURE EXCEEDING
MAXIMUM ALLOWABLE INJECTION PRESSURE**

INJECTION DATE	MAXIMUM ALLOWABLE INJECTION PRESSURE	REPORTED MAXIMUM INJECTION PRESSURE
May 1999	500	560
August 1999	500	510
September 1999	500	510
October 1999	500	580
December 1999	500	560
January 2000	500	522
March 2000	500	501
May 2000	500	560
August 2000	500	510
September 2000	500	510
October 2000	500	580
December 2000	500	560
May 2001	500	560
June 2001	500	540
September 2001	500	510
October 2001	500	580
November 2001	500	605
December 2001	500	560
May 2002	500	560
September 2002	500	510

INJECTION DATE	MAXIMUM ALLOWABLE INJECTION PRESSURE	REPORTED MAXIMUM INJECTION PRESSURE
October 2002	500	580
December 2002	500	560

EOG RESOURCES, INC.
Docket No. SDWA-08-2003-0071

Attachment A
Part 2

**AVERAGE INJECTION PRESSURE LEVELS HIGHER THAN
MAXIMUM INJECTION PRESSURE LEVELS**

INJECTION DATE	MAXIMUM REPORTED INJECTION PRESSURE	AVERAGE REPORTED INJECTION PRESSURE
January 2000	405	522
March 2000	400	501
June 2000	430	457
November 2000	420	452
April 2001	420	457
June 2001	430	540
November 2001	420	605
January 2002	405	430
February 2002	400	461
March 2002	400	492

EOG RESOURCES, INC.
Docket No. SDWA-08-2003-0071

Attachment A
Part 3

MONTHLY MAXIMUM INJECTION PRESSURES*

INJECTION MONTH	1999 (amended)	2000	2001	2002
January	405	405	405	405
February	400	400	400	400
March	400	400	400	400
April	420	420	420	420
May	560	560	560	560
June	430	430	430	430
July	430	430	SI	430
August	510	510	SI	430
September	510	510	510	510
October	580	580	580	580
November	420	420	420	420
December	560	560	560	560

Results in bold are not repetitive.

* Reports for 1994, 1995, 1996, 1997, and 1998 were submitted without results for monthly maximum injection pressures. ("SI" indicated the well was "shut-in" or inactive for the month.)

**U.S. ENVIRONMENTAL PROTECTION AGENCY
PUBLIC NOTICE
OPPORTUNITY FOR PUBLIC COMMENT ON
PROPOSED ADMINISTRATIVE ORDER
AGAINST
EOG RESOURCES, INC.
FOR FAILURE TO COMPLY WITH
UNDERGROUND INJECTION CONTROL REGULATIONS**

PURPOSE OF PUBLIC NOTICE

The purpose of this notice is to solicit written comments on a Proposed Administrative Order with Administrative Civil Penalty and Opportunity to Request a Hearing (Docket No. SDWA-08-2003-0071) ("Proposed Administrative Order") that Region 8 of the United States Environmental Protection Agency ("the EPA") proposes to issue against EOG Resources, Inc., 1540 Belco Drive, P.O. Box 250, Big Piney, Wyoming 83113 ("the Respondent"). The Proposed Administrative Order lists alleged violations and proposes required remedies and monetary penalties for the alleged violations. The Proposed Administrative Order is issued under the Underground Injection Control ("UIC") provisions of the Safe Drinking Water Act and its implementing regulations. These regulations govern the injection of fluids that may endanger an underground source of drinking water.

The EPA desires to receive written comments from any interested party having knowledge of the alleged violations or who can provide any information useful to ensure that the remedies proposed are appropriate. If no comments are received regarding this Proposed Administrative Order, it will be issued as a final Administrative Order and will become effective thirty (30) days following the date issued. The EPA will review any comments received on the Proposed Administrative Order, and will thereafter determine whether to modify or withdraw the Proposed Administrative Order or whether to issue a final Administrative Order and whether to assess the proposed penalty.

BACKGROUND

Part C of the Safe Drinking Water Act requires the EPA to regulate underground injection of fluid through wells to assure that underground sources of drinking water are not endangered. Section 1421 of the Safe Drinking Water Act requires the EPA to administer UIC programs in States or on Indian Lands which do not have approved State or Tribal UIC programs. Regulation of the UIC Program has not been delegated on the Uintah & Ouray Reservation in Uintah County, Utah; therefore EPA administers the program on the Uintah & Ouray Reservation in accordance with

Title 40 of the Code of Federal Regulations parts 124, 144, 146, 147 and 148.

The one salt water disposal injection well which is the subject of this Proposed Administrative Order is operated by EOG Resources, Inc. The well is located on Tribal Lands on the Uintah & Ouray Indian Reservation in the Natural Buttes Field in Uintah County, Utah. The well is authorized to inject under EPA UIC Permit UT2623-03708. The well name and location is:

Natural Buttes Unit (NBU) 21-20B SWD EPA UIC
Permit Identification Number: UT2326-03708
Location: Uintah County/Natural Buttes Field/
 Uintah & Ouray Indian Reservation/Utah
NE/4 NE/4 Section 20 (1037 feet from the north line
 and 1037 feet from the east line), T9S, R20E

The Proposed Administrative Order finds that the Respondent operated this injection well; violated EPA UIC Permit UT2326-03708 Section II.C.4.(a) concerning the requirement not to inject at higher than the maximum authorized injection pressure and Section II.D.4. concerning the requirement to submit an annual fluid analysis for 1999; and violated Safe Drinking Water Act section 1445 for submission of false information in the annual monitoring reports.

The Proposed Administrative Order proposes that the EPA assess an administrative civil penalty in the amount of one hundred thirty-four thousand five hundred eighty-eight dollars (\$134,588.00) and orders EOG Resources, Inc., within 15 days of the receipt of this Proposed Administrative Order, to submit corrected annual well monitoring reports for 1999, 2000, 2001, and 2002, as well as all original well monitoring records for the well for the same years. The Proposed Administrative Order also requires the Respondent to develop a plan to prevent similar violations in the future.

PUBLIC COMMENTS

Written comments on the Proposed Administrative Order are encouraged and will be accepted at the address listed below for a period of thirty (30) days after the publication of this notice. Written comments submitted by the public as well as information submitted by EOG Resources, Inc., will be available for public review as part of the Administrative Record, subject to the provisions of law restricting the disclosure of confidential information. The Respondent may request a hearing. Any person submitting written comments will be notified of and has a right to participate in such a hearing. The Proposed Administrative Order and the Administrative Record are available for review Monday through Friday between 9:00 a.m. and 4:00 p.m. at the EPA

Region 8 offices, 999 18th Street, Suite 300, Denver, CO 80202-2466. It is recommended that those wishing to view the Administrative Record call Donna M. Arthur, Senior Enforcement Attorney, Legal Enforcement Program, EPA Region 8, at (303) 312-6954, before visiting the EPA Region 8 offices. Please submit written comments to:

Tina Artemis (8RC)
Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 8
999 18th Street, Suite 300
Denver, Colorado 80202-2466

A copy of the Proposed Administrative Order will also be available for public review Monday through Friday between 8:00 a.m. and 4:00 p.m. at the Office of the Uintah County Clerk, 147 E. Main St., Vernal, Utah. Any person interested in receiving his or her own copy of this or any future public notice of an UIC administrative action can call Carol Lee Bowden of the UIC Enforcement Team, Technical Enforcement Program, EPA Region 8, at (303) 312-6485.

THE DECISION

EPA will review and consider all public comments received on the Proposed Administrative Order and will thereafter determine whether to modify or withdraw the Proposed Administrative Order or whether to issue a final Administrative Order and whether to assess a penalty. If the Proposed Administrative Order is revised, copies shall be provided to all parties and to all members of the public who have commented.

Date of Publication

Elisabeth Evans, Director
Technical Enforcement Program
Office of Enforcement,
Compliance, and Environmental
Justice

IF YOU WOULD LIKE COPIES OF THE OTHER ATTACHMENTS PLEASE CONTACT
THE REGIONAL HEARING CLERK.

THIS DOCUMENT WAS FILED IN THE RHC'S OFFICE ON SEPTEMBER 29,
2003.